

**TOWN OF IOTA, LOUISIANA**

**FINANCIAL REPORT**

**JUNE 30, 2014**

# C O N T E N T S

	Exhibit/ Schedule	Page
INDEPENDENT AUDITORS' REPORT	-	1 - 3
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements (GWFS):		
Statement of Net Position	A	6 and 7
Statement of Activities	B	8 and 9
Fund Financial Statements (FFS):		
Balance Sheet - Governmental Funds	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	15
Statements of Net Position - Proprietary Fund - Business-Type Activities - Enterprise Fund	G	16 and 17
Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund - Business-Type Activities - Enterprise Fund	H	18
Statements of Cash Flows - Proprietary Fund - Business-Type Activities - Enterprise Fund	I	20 and 21
Notes to Financial Statements	-	22 - 37
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule:		
General Fund	J-1	40 - 42
Sales Tax Fund	J-2	43
Notes to Budgetary Comparison Schedules	J-3	44
OTHER SUPPLEMENTARY INFORMATION		
Schedule of Insurance in Force	1	46 and 47
Schedule of Utility Rates	2	48
Schedule of Customers	3	49
Schedule of Operating Revenues and Operating Expenses by Department	4	50 and 51
Schedule of Aged Accounts Receivable	5	52
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		
	-	53 and 54

	Exhibit/ Schedule	Page
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133		55 - 57
Schedule of Findings and Questioned Costs	K-1	58 and 59
Schedule of Prior Findings	K-2	60
Schedule of Expenditures of Federal Awards	K-3	61
Notes to the Schedule of Expenditures of Federal Awards		62



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217  
New Iberia, LA  
(337) 364-4554

**Partners:**

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
John L. Istre, CPA\*  
Elizabeth J. Moreau, CPA\*  
Lonnie J. Hebert, CPA\*  
Robert M. DeRouen, Jr. CPA\*

**Directors:**

Jason P. LeBlanc, CPA  
Laurel L. Montagnet, CPA  
Valeri A. Grayson, CPA

**Retired Partners:**

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008  
Mary T. Miller, CPA 2011  
Mary A. Castille, CPA 2013

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

\* A Professional Accounting Corporation

**INDEPENDENT AUDITORS' REPORT**

To the Honorable Cynthia F. McDaniel, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

**Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iota, Louisiana, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iota, Louisiana, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As described in Note 1 to the financial statements, in 2014, the Town adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 40 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Iota, Louisiana's, basic financial statements. The schedule of insurance in force, schedule of utility rates, schedule of customers, statements of operating revenues and operating expenses by department, and schedule of aged accounts receivable are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of insurance in force, schedule of utility rates, schedule of customers, schedule of operating revenues and operating expenses by department, and schedule of aged accounts receivable has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provided any assurance on it.

The prior year comparative information has been derived from the Town of Iota, Louisiana's 2013 financial statements and, in our report dated December 4, 2013, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated December 26, 2014, on our consideration of the Town of Iota, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Iota, Louisiana's internal control over financial reporting and compliance.

*Bronard Poche Linn: / Bronard LLP*

Lafayette, Louisiana  
December 26, 2014

This page intentionally left blank.

**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements (GWFS)**



TOWN OF IOTA, LOUISIANA

STATEMENT OF NET POSITION  
June 30, 2014

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash	\$ 712,406	\$ 77,113	\$ 789,519
Certificates of deposit	145,152	-	145,152
Taxes receivable	3,153	-	3,153
Franchise fees receivable	18,432	-	18,432
Due from other governmental agencies	77,605	52,881	130,486
Accounts receivable	-	35,530	35,530
Unbilled service receivable	-	10,440	10,440
Other receivables	12,180	-	12,180
Internal balances	(12,293)	12,293	-
Inventories, at cost	-	15,083	15,083
Restricted assets:			
Cash	-	135,285	135,285
Certificates of deposit	-	46,103	46,103
Capital assets:			
Non-depreciable	85,342	94,588	179,930
Depreciable, net	<u>1,342,204</u>	<u>1,604,779</u>	<u>2,946,983</u>
 Total assets	 <u>\$ 2,384,181</u>	 <u>\$ 2,084,095</u>	 <u>\$ 4,468,276</u>

See Notes to Financial Statements.

LIABILITIES AND NET POSITION	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 45,730	\$ 84,612	\$ 130,342
Retainage payable	-	6,774	6,774
Accrued liabilities	947	1,733	2,680
Customers' deposits	-	100,138	100,138
Other liabilities	-	1,241	1,241
Long-term liabilities:			
Portion due or payable within one year -			
Bonds payable	-	13,339	13,339
Portion due or payable after one year -			
Bonds payable	-	541,496	541,496
Total liabilities	\$ 46,677	\$ 749,333	\$ 796,010
<b>NET POSITION</b>			
Net investment in capital assets	\$ 1,427,546	\$ 1,144,533	\$ 2,572,079
Restricted for:			
Debt service	-	79,517	79,517
Tax dedications	828,794	-	828,794
Unrestricted	81,164	110,712	191,876
Total net position	\$ 2,337,504	\$ 1,334,762	\$ 3,672,266
Total liabilities and net position	\$ 2,384,181	\$ 2,084,095	\$ 4,468,276

TOWN OF IOTA, LOUISIANA

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014

Function/Program	Expenses	Program Revenues	
		Fees, Fines and Charges for Services	Capital Grants and Contributions
Governmental activities:			
General government	\$ 86,794	\$ 2,071	\$ 702,289
Public safety	175,425	5,560	-
Public works	82,170	-	649
Culture and recreation	5,676	-	-
Total governmental activities	<u>\$ 350,065</u>	<u>\$ 7,631</u>	<u>\$ 702,938</u>
Business-type activities:			
Gas, water and sewer	<u>\$ 731,512</u>	<u>\$ 617,964</u>	<u>\$ 52,881</u>
Total	<u>\$1,081,577</u>	<u>\$ 625,595</u>	<u>\$ 755,819</u>

General revenues:

Taxes -  
     Property  
     Sales and use  
     Franchise  
 Licenses and permits  
 Intergovernmental  
 Investment income  
 Miscellaneous  
 Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

See Notes to Financial Statements.

Net (Expense) Revenue and Change in Net Assets		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ 617,566	\$ -	\$ 617,566
(169,865)	-	(169,865)
(81,521)	-	(81,521)
<u>(5,676)</u>	<u>-</u>	<u>(5,676)</u>
<u>\$ 360,504</u>	<u>\$ -</u>	<u>\$ 360,504</u>
 \$ -	 \$ (60,667)	 \$ (60,667)
<u>\$ 360,504</u>	<u>\$ (60,667)</u>	<u>\$ 299,837</u>
 \$ 113,510	 \$ -	 \$ 113,510
263,384	-	263,384
79,566	-	79,566
64,178	-	64,178
10,119	-	10,119
768	198	966
2,550	-	2,550
<u>(70,778)</u>	<u>70,778</u>	<u>-</u>
<u>\$ 463,297</u>	<u>\$ 70,976</u>	<u>\$ 534,273</u>
 \$ 823,801	 \$ 10,309	 \$ 834,110
<u>1,513,703</u>	<u>1,324,453</u>	<u>2,838,156</u>
<u>\$ 2,337,504</u>	<u>\$ 1,334,762</u>	<u>\$ 3,672,266</u>

**This page intentionally left blank.**

BASIC FINANCIAL STATEMENTS  
Fund Financial Statements (FFS)

## TOWN OF IOTA, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014

ASSETS	General Fund	Sales Tax Fund	LCDBG Fund	Total Governmental Funds
Cash	\$180,388	\$531,918	\$ 100	\$ 712,406
Certificates of deposit	12,260	132,892	-	145,152
Taxes receivable	3,153	-	-	3,153
Franchise fees receivable	18,432	-	-	18,432
Due from other governmental agencies	2,525	18,221	36,920	57,666
Other receivables	12,180	-	-	12,180
Total assets	<u>\$228,938</u>	<u>\$683,031</u>	<u>\$ 37,020</u>	<u>\$ 948,989</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 8,537	\$ 273	\$ 36,920	\$ 45,730
Accrued liabilities	947	-	-	947
Due to other funds	12,193	-	100	12,293
Total liabilities	<u>\$ 21,677</u>	<u>\$ 273</u>	<u>\$ 37,020</u>	<u>\$ 58,970</u>
FUND BALANCES				
Restricted for:				
Tax dedications	\$126,097	\$682,758	\$ -	\$ 808,855
Unassigned	81,164	-	-	81,164
Total fund balances	<u>\$207,261</u>	<u>\$682,758</u>	<u>\$ -</u>	<u>\$ 890,019</u>
Total liabilities and fund balances	<u>\$228,938</u>	<u>\$683,031</u>	<u>\$ 37,020</u>	<u>\$ 948,989</u>

See Notes to Financial Statements.

## TOWN OF IOTA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2014

Total fund balances - governmental funds	\$ 890,019
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	
Capital assets, net	1,427,546
Some revenues were not considered measurable at year end and therefore not available soon enough to pay for current period expenditures.	
Sales taxes	<u>19,939</u>
Total net position of governmental activities	<u>\$2,337,504</u>

See Notes to Financial Statements.



## TOWN OF IOTA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

	General Fund	Sales Tax Fund	LCDBG Fund	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$193,076	\$ 265,451	\$ -	\$ 458,527
Licenses and permits	64,178	-	-	64,178
Intergovernmental	11,555	-	701,502	713,057
Charges for services	2,071	-	-	2,071
Fines and forfeits	5,560	-	-	5,560
Investment income	72	696	-	768
Miscellaneous	2,550	-	-	2,550
<b>Total revenues</b>	<b>\$279,062</b>	<b>\$ 266,147</b>	<b>\$701,502</b>	<b>\$ 1,246,711</b>
<b>Expenditures:</b>				
Current -				
General government	\$ 49,695	\$ 10,317	\$ -	\$ 60,012
Public safety	167,187	-	-	167,187
Public works	47,418	-	-	47,418
Culture and recreation	2,592	-	-	2,592
Capital outlay	16,665	-	701,502	718,167
<b>Total expenditures</b>	<b>\$283,557</b>	<b>\$ 10,317</b>	<b>\$701,502</b>	<b>\$ 995,376</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (4,495)</b>	<b>\$ 255,830</b>	<b>\$ -</b>	<b>\$ 251,335</b>
<b>Other financing sources (uses):</b>				
Transfers in	\$ 36,140	\$ -	\$ -	\$ 36,140
Transfers out	-	(106,918)	-	(106,918)
<b>Total other financing sources (uses)</b>	<b>\$ 36,140</b>	<b>\$ (106,918)</b>	<b>\$ -</b>	<b>\$ (70,778)</b>
<b>Net change in fund balances</b>	<b>\$ 31,645</b>	<b>\$ 148,912</b>	<b>\$ -</b>	<b>\$ 180,557</b>
<b>Fund balances, beginning</b>	<b>175,616</b>	<b>533,846</b>	<b>-</b>	<b>709,462</b>
<b>Fund balances, ending</b>	<b>\$207,261</b>	<b>\$ 682,758</b>	<b>\$ -</b>	<b>\$ 890,019</b>

See Notes to Financial Statements.

## TOWN OF IOTA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$180,557
--	-----------

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$696,416	
Depreciation expense	<u>(51,105)</u>	645,311

Because some revenues are not measurable at year-end, they are not considered available revenues in the governmental funds.

Sales taxes	<u>(2,067)</u>
-------------	----------------

Change in net position of governmental activities	<u><u>\$823,801</u></u>
---	-------------------------

See Notes to Financial Statements.

TOWN OF IOTA, LOUISIANA

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
 June 30, 2014 and 2013

ASSETS	2014	2013
<b>CURRENT ASSETS</b>		
Cash	\$ 77,113	\$ 45,694
Accounts receivable	35,530	38,734
Unbilled service receivable	10,440	14,167
Due from other funds	12,293	1,385
Due from other governmental agencies	52,881	-
Prepaid insurance	-	7,680
Inventories, at cost	15,083	19,407
Total current assets	\$ 203,340	\$ 127,067
<b>RESTRICTED ASSETS</b>		
Cash	\$ 135,285	\$ 126,040
Certificates of deposit	46,103	45,932
Total restricted assets	\$ 181,388	\$ 171,972
<b>CAPITAL ASSETS</b>		
Non-depreciable	\$ 94,588	\$ 26,844
Depreciable, net	1,604,779	1,691,568
Total capital assets	\$1,699,367	\$1,718,412
Total assets	\$2,084,095	\$2,017,451

See Notes to Financial Statements.

LIABILITIES AND NET POSITION	2014	2013
CURRENT LIABILITIES (payable from current assets)		
Accounts payable	\$ 84,612	\$ 27,579
Retainage payable	6,774	-
Accrued liabilities	1,733	1,774
Other liabilities	<u>1,241</u>	<u>1,240</u>
Total current liabilities (payable from current assets)	<u>\$ 94,360</u>	<u>\$ 30,593</u>
CURRENT LIABILITIES (payable from restricted assets)		
Revenue bonds payable	\$ 13,339	\$ 12,721
Customers' deposits	<u>100,138</u>	<u>94,766</u>
Total current liabilities (payable from restricted assets)	<u>\$ 113,477</u>	<u>\$ 107,487</u>
NONCURRENT LIABILITIES		
Revenue bonds payable	<u>\$ 541,496</u>	<u>\$ 554,918</u>
Total liabilities	<u>\$ 749,333</u>	<u>\$ 692,998</u>
NET POSITION		
Net investment in capital assets	\$1,144,533	\$1,150,773
Restricted for debt service	79,517	75,433
Unrestricted	<u>110,712</u>	<u>98,247</u>
Total net position	<u>\$1,334,762</u>	<u>\$1,324,453</u>
Total liabilities and net position	<u>\$2,084,095</u>	<u>\$2,017,451</u>

TOWN OF IOTA, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 PROPRIETARY FUND  
 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
 Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 595,595	\$ 490,720
Miscellaneous	<u>22,369</u>	<u>25,842</u>
Total operating revenues	<u>\$ 617,964</u>	<u>\$ 516,562</u>
Operating expenses:		
Salaries and wages	\$ 203,175	\$ 193,139
Payroll taxes	15,543	15,404
Gas purchases	103,785	62,487
Materials and supplies	64,483	60,293
Fuel	10,686	12,445
Telephone and utilities	31,654	27,237
Depreciation	115,419	112,245
Repairs and maintenance	60,011	21,514
Printing, postage, and supplies	6,324	4,647
Insurance	60,931	57,117
Truck expenses	4,311	3,628
Professional services	10,396	8,327
Travel and training	3,716	5,956
Uniforms	5,343	4,912
Other	<u>9,087</u>	<u>10,650</u>
Total operating expenses	<u>\$ 704,864</u>	<u>\$ 600,001</u>
Operating loss	<u>\$ (86,900)</u>	<u>\$ (83,439)</u>
Non-operating revenues (expenses):		
Investment income	\$ 198	\$ 300
Interest expense	<u>(26,648)</u>	<u>(27,243)</u>
Total non-operating revenues (expenses)	<u>\$ (26,450)</u>	<u>\$ (26,943)</u>
Loss before contributed capital and transfers	\$ (113,350)	\$ (110,382)
Capital grants	52,881	-
Transfers in	72,227	116,441
Transfers out	<u>(1,449)</u>	<u>(1,710)</u>
Change in net position	\$ 10,309	\$ 4,349
Net position, beginning	<u>1,324,453</u>	<u>1,320,104</u>
Net position, ending	<u>\$1,334,762</u>	<u>\$1,324,453</u>
See Notes to Financial Statements.		

**This page intentionally left blank.**

## TOWN OF IOTA, LOUISIANA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
 Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 602,526	\$ 484,958
Payments to suppliers for goods and services	(373,568)	(272,902)
Payments to employees and for employee related costs	(218,718)	(213,750)
Other receipts	<u>22,369</u>	<u>25,842</u>
Net cash provided by operating activities	\$ <u>32,609</u>	\$ <u>24,148</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	\$ 72,227	\$ 116,441
Transfers to other funds	(1,449)	(1,710)
Increase in customers' deposits, net	<u>5,372</u>	<u>5,035</u>
Net cash provided by noncapital financing activities	\$ <u>76,150</u>	\$ <u>119,766</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid	\$ (26,687)	\$ (27,281)
Principal payments	(12,804)	(12,212)
Purchase of capital assets	<u>(28,631)</u>	<u>(66,151)</u>
Net cash used in capital and related financing activities	\$ <u>(68,122)</u>	\$ <u>(105,644)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of investments	\$ 45,932	\$ 45,679
Purchase of investments	(46,103)	(45,932)
Investment earnings	<u>198</u>	<u>300</u>
Net cash provided by investing activities	\$ <u>27</u>	\$ <u>47</u>
Net increase in cash	\$ 40,664	\$ 38,317
Cash, beginning of year	<u>171,734</u>	<u>133,417</u>
Cash, end of year	<u>\$ 212,398</u>	<u>\$ 171,734</u>

(continued)

TOWN OF IOTA, LOUISIANA

STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUND  
BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND  
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (86,900)	\$ (83,439)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	115,419	112,245
Changes in assets and liabilities -		
(Increase) decrease in receivables	6,931	(5,762)
(Increase) decrease in due from other funds	(10,908)	48
Decrease in prepaid insurance	7,680	703
Decrease in inventories	4,324	-
Increase (decrease) in accounts payables	(3,937)	5,559
Increase (decrease) in accrued and other liabilities	-	(5,206)
Net cash provided by operating activities	<u>\$ 32,609</u>	<u>\$ 24,148</u>
CASH REPORTED ON THE STATEMENT OF NET POSITION AS:		
Current	\$ 77,113	\$ 45,694
Restricted	<u>135,285</u>	<u>126,040</u>
Total cash	<u>\$ 212,398</u>	<u>\$ 171,734</u>

See Notes to Financial Statements.



TOWN OF IOTA, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Town of Iota, Louisiana (the "Town") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Town are described below.

Reporting entity:

A financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The Town was incorporated in 1901, under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government and provides the following services to its residents as authorized by its charter: public safety, public works, culture and recreation, and general administrative services. The Town also operates an enterprise activity, a combined utilities fund, which provides gas, sewer, and water services.

Component units -

The basic criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes, are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Board of Aldermen or Mayor) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.

## NOTES TO FINANCIAL STATEMENTS

4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

Based on the above criteria, there are no organizations or agencies which should be included in the basic financial statements as component units.

### Basis of presentation:

The Town's basic financial statements consist of the government-wide statements on all of the non-fiduciary activities of the government and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

### Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business type activities are financed in whole or in part by fees charged to external parties.

In the government-wide statement of net position, both the governmental and business-type activities columns (1) are presented on a consolidated basis by column, and (2) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function or business-type activity) is

## NOTES TO FINANCIAL STATEMENTS

normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

The Town does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

### Fund financial statements -

The fund financial statements provide information about the Town's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each reported in a separate column. The Town does not have any nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

The Town reports the following major governmental funds:

General Fund - used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

Sales Tax Fund - used to account for the collection and disbursement of the Town's 1% sales and use tax levies. These taxes are dedicated as described in Note 8.

LCDBG Fund - used to account for the construction of the new Town hall.

The Town reports the following major proprietary fund:

Combined Utilities Fund - used to account the provision of gas, sewer, and water services to the residents of the Town.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

## NOTES TO FINANCIAL STATEMENTS

### Basis of accounting:

#### Government-wide and proprietary fund financial statements -

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

#### Governmental fund financial statements -

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. For purposes of reporting cash flows, the Town considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Town had no cash equivalents at June 30, 2014.

### Custodial credit risk:

The Town is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Town's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be held in the Town's name. Accordingly, the Town had no custodial credit risk related to its deposits at June 30, 2014.

### Investments:

Under State law, the Town may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Town may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The Town's investments at June 30, 2014, consisted of time certificates of deposit purchased from local financial institutions. These certificates of deposit are stated at cost.

### Receivables:

Uncollectible amounts due from customers for utility services are recognized as bad debts by use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable. The results of using this method as opposed to the allowance method are not materially different.

### Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

### Inventories:

Inventories are valued at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

## NOTES TO FINANCIAL STATEMENTS

### Restricted assets:

Certain resources of the Combined Utilities Fund are classified as restricted assets in the statement of net position because their use is limited by debt indenture or because they represent customers' deposits being held by the Town.

### Fixed assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in the governmental fund operations or the proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-wide financial statements -

The Town's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost for assets where actual historical cost is not available and reported in the government-wide financial statements as capital assets. The Town maintains a threshold level of \$500 for capitalizing capital assets. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset useful lives are not capitalized. Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Years</u>
Buildings and improvements	20 - 40
Machinery and equipment	5 - 15
Infrastructure	10 - 40
Utilities systems	5 - 25

#### Fund financial statements -

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

### Long-term debt:

The accounting treatment of long-term debt depends on whether the debt relates to governmental or proprietary fund obligations and whether it is reported in the government-wide or fund financial statements.

## NOTES TO FINANCIAL STATEMENTS

### Government-wide financial statements -

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt consists of revenue bonds and certificates of indebtedness.

### Fund financial statements -

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. Long-term debt in proprietary fund operations is accounted for the same in the fund financial statements as it is in the government-wide statements.

### Equity classifications:

#### Government-wide financial statements -

Equity is classified as net position and displayed in three components: (1) net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, (2) restricted net position - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position reports \$908,311 of restricted net position, \$828,794 of which is restricted by enabling legislation.

#### Fund financial statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. The following describes the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

## NOTES TO FINANCIAL STATEMENTS

- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Alderman establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Alderman through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Proprietary fund equity is classified the same as in the government-wide statements.

### Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and individual proprietary funds have been eliminated.

### Compensated absences:

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. Employees earn five days of sick leave each year. Sick leave can be accumulated without limitation. Employees who resign or retire or who are dismissed from employment are not paid for any unused sick leave. Therefore, no provision for compensated absences has been made in the financial statements.



## NOTES TO FINANCIAL STATEMENTS

### Recent pronouncements:

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement is effective for financial statements for years beginning after December 15, 2012. This Statement established accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows or resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentation. The Town did not have any items which met the criteria to be reclassified as deferred outflows or inflows as of June 30, 2014.

### Note 2. Property Taxes

#### Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

#### Fund financial statements -

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable by December 31. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 2014, property taxes of 27.00 mills were levied on assessed valuations totaling \$4,216,910. Total taxes levied were \$113,857. Taxes receivable at June 30, 2014 totaled \$3,453. An allowance of \$300 has been recorded as of June 30, 2014 for uncollectible taxes. A summary of tax millage dedication is as follows:

Corporate tax	8.00 Mills
Street maintenance tax	5.00 Mills
Drainage and public buildings tax	5.00 Mills
Bridge tax	<u>9.00 Mills</u>
Total tax mills	<u>27.00 Mills</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Due From Other Governmental Agencies

Due from other governmental agencies at June 30, 2014 consist of the following:

Fund financial statements:

Governmental funds -

State of Louisiana:

State highway maintenance fees	\$ 2,525
--------------------------------	----------

MIP grant	36,920
-----------	--------

Acadia Parish School Board:

Sales taxes	18,221
-------------	--------

Enterprise fund -

State of Louisiana:

10-11 CWEF grant	19,500
------------------	--------

11-12 CWEF grant	18,760
------------------	--------

11-12 LGAP grant	<u>14,621</u>
------------------	---------------

Total fund financial statements	<u>\$110,547</u>
---------------------------------	------------------

Government-wide financial statements:

Total amount reported in the fund financial statements from above	\$110,547
---	-----------

Additional sales and use taxes due from the Acadia Parish School Board	<u>19,939</u>
--	---------------

Total government-wide financial statements	<u>\$130,486</u>
--	------------------

### Note 4. Interfund Balances

Interfund balances at June 30, 2014 consist of the following:

	Due From		
	General Fund	LCDBG Fund	Total
Due to:			
Combined Utilities Fund	<u>\$12,193</u>	<u>\$ 100</u>	<u>\$12,293</u>

These balances resulted from the time lag between the dates that (1) reimbursable expenditures or expenses, as appropriate, occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# NOTES TO FINANCIAL STATEMENTS

## Note 5. Capital Assets and Depreciation

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated -				
Construction in progress	\$ 55,214	\$ 679,751	\$ (734,965)	\$ -
Land	<u>30,128</u>	<u>-</u>	<u>-</u>	<u>30,128</u>
Total capital assets not being depreciated	<u>\$ 85,342</u>	<u>\$ 679,751</u>	<u>\$ (734,965)</u>	<u>\$ 30,128</u>
Capital assets being depreciated -				
Buildings and improvements	\$ 201,914	\$ 734,965	\$ -	\$ 936,879
Machinery and equipment	287,064	16,665	-	303,729
Infrastructure	<u>819,998</u>	<u>-</u>	<u>-</u>	<u>819,998</u>
Total capital assets being depreciated	<u>\$ 1,308,976</u>	<u>\$ 751,630</u>	<u>\$ -</u>	<u>\$ 2,060,606</u>
Less accumulated depreciation for -				
Buildings and improvements	\$ (170,864)	\$ (7,267)	\$ -	\$ (178,131)
Machinery and equipment	(231,562)	(25,106)	-	(256,668)
Infrastructure	<u>(209,657)</u>	<u>(18,732)</u>	<u>-</u>	<u>(228,389)</u>
Total accumulated depreciation	<u>\$ (612,083)</u>	<u>\$ (51,105)</u>	<u>\$ -</u>	<u>\$ (663,188)</u>
Total capital assets being depreciated, net	<u>\$ 696,893</u>	<u>\$ 700,525</u>	<u>\$ -</u>	<u>\$ 1,397,418</u>
Governmental activities capital assets, net	<u>\$ 782,235</u>	<u>\$1,380,276</u>	<u>\$ (734,965)</u>	<u>\$ 1,427,546</u>

# NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated -				
Construction in progress	\$ -	\$ 67,744	\$ -	\$ 67,744
Land	<u>26,844</u>	<u>-</u>	<u>-</u>	<u>26,844</u>
Total capital assets being depreciated	<u>\$ 26,844</u>	<u>\$ 67,744</u>	<u>\$ -</u>	<u>\$ 94,588</u>
Capital assets being depreciated -				
Buildings and improvements	\$ 59,578	\$ -	\$ -	\$ 59,578
Machinery and equipment	142,953	-	-	142,953
Gas and sewer distribution systems	1,881,175	-	-	1,881,175
Water treatment system	<u>2,218,694</u>	<u>28,630</u>	<u>-</u>	<u>2,247,324</u>
Total capital assets being depreciated	<u>\$ 4,302,400</u>	<u>\$ 28,630</u>	<u>\$ -</u>	<u>\$ 4,331,030</u>
Less accumulated depreciation for -				
Buildings and improvements	\$ (32,478)	\$ (2,288)	\$ -	\$ (34,766)
Machinery and equipment	(91,232)	(10,082)	-	(101,314)
Gas and sewer distribution systems	(1,219,591)	(53,735)	-	(1,273,326)
Water treatment system	<u>(1,267,531)</u>	<u>(49,314)</u>	<u>-</u>	<u>(1,316,845)</u>
Total accumulated depreciation	<u>\$ (2,610,832)</u>	<u>\$ (115,419)</u>	<u>\$ -</u>	<u>\$ (2,726,251)</u>
Total capital assets being depreciated, net	<u>\$ 1,691,568</u>	<u>\$ (86,789)</u>	<u>\$ -</u>	<u>\$ 1,604,779</u>
Business-type activities capital assets, net	<u>\$ 1,718,412</u>	<u>\$ (19,045)</u>	<u>\$ -</u>	<u>\$ 1,699,367</u>

Depreciation expense for the year ended June 30, 2014 was charged as follows:

Governmental activities:	
General government	\$ 5,031
Public safety	8,238
Public works	34,752
Culture and recreation	<u>3,084</u>
Total governmental activities depreciation expense	<u>\$ 51,105</u>
Business-type activities:	
Gas, water and sewer	<u>\$ 115,419</u>

# NOTES TO FINANCIAL STATEMENTS

## Note 6. Long-Term Debt

Revenue Bonds: The Town has issued bonds which are payable from a specific revenue source, income derived from the proprietary fund. Proceeds were used to construct and acquire additions, extensions, and improvements to the sewerage system. These bonds, expected to be paid from the Combined Utility Fund (enterprise fund), are reported in that fund.

Long-term debt outstanding at June 30, 2014 is as follows:

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>	<u>Due Within One Year</u>
Business-type activities:					
Sewer Revenue Bonds -					
Series					
1997A	04/06/98	04/06/38	4.75%	\$ 477,940	\$ 11,491
Series					
1997B	04/06/98	04/06/38	4.75%	<u>76,895</u>	<u>1,847</u>
				<u>\$ 554,835</u>	<u>\$ 13,338</u>

The annual debt service requirements to maturity of all long-term debt outstanding at June 30, 2014 follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,338	\$ 26,153	\$ 39,491
2016	13,986	25,506	39,492
2017	14,665	24,827	39,492
2018	15,377	24,115	39,492
2019	16,124	23,368	39,492
2020-2024	93,147	104,313	197,460
2025-2029	118,064	79,396	197,460
2030-2034	149,642	47,818	197,460
2035-2038	<u>120,492</u>	<u>10,253</u>	<u>130,745</u>
	<u>\$ 554,835</u>	<u>\$365,749</u>	<u>\$ 920,584</u>

A summary of changes in long-term debt reported in the government-wide financial statements for the year ended June 30, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-type activities:				
Sewer Revenue Bonds -				
Series 1997A	\$ 488,971	\$ -	\$ (11,031)	\$ 477,940
Series 1997B	<u>78,668</u>	<u>-</u>	<u>(1,773)</u>	<u>76,895</u>
	<u>\$ 567,639</u>	<u>\$ -</u>	<u>\$ (12,804)</u>	<u>\$ 554,835</u>

## NOTES TO FINANCIAL STATEMENTS

Interest costs incurred and charged to expense for the year ended June 30, 2014 totaled \$26,648, all of which is reported as a direct expense of the applicable activity for the business-type activities.

### Note 7. Flow of Funds; Restrictions on Use

#### Sewer Revenues:

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated April 6, 1998, all income and revenues (hereinafter referred to as revenue) earned from the operation of the sewer system are to be deposited into an account designated as the Sewer Revenue Account and said account is to be maintained and administered in the following order of priority and for the following express purposes:

- a) The payment of all reasonable and necessary expenses of administering, operating, and maintaining the sewer system from an account designated as the Maintenance and Operation Account.
- b) Each month there will be set aside into a Sewer Revenue Bond and Interest Sinking Account \$2,835 for payment on the Sewer Revenue Bonds, Series 1997A and \$456 for payment on the Sewer Revenue Bonds, Series 1997B. Such transfers shall be made on or before the 6th day of each month, beginning May 6, 1999, to assure the prompt payment of principal and interest installments as they become due. The balance as of June 30, 2014 was \$20,589 in the Sewer Revenue Bond and Interest Sinking Account.
- c) Each month, there shall be set aside into a Sewer Revenue Bond Reserve Account an amount constituting 5% of the amounts required to be paid into the aforesaid Sewer Revenue Bond and Interest Sinking Account until such time as there has been accumulated in the Account an amount equal to the highest annual debt service payable in any future year (\$39,492). The amount transferred into the Sewer Revenue Bond Reserve Account for the year ended June 30, 2013 was \$1,980. The balance as of June 30, 2014 was \$29,700 in the Sewer Revenue Bond Reserve Account.
- d) Funds will be set aside into a Sewer Revenue Bond Depreciation and Contingency Account to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the utilities system. Transfers of \$172 shall be made monthly into this fund. Payments will continue as long as bonds are outstanding and the balance in this fund shall not be reduced without the permission of the U.S. Department of Rural Development. The balance as of June 30, 2014 was \$30,960 in the Sewer Revenue Bond Depreciation and Contingency Account.

All required transfers were made for the year ended June 30, 2014.

# NOTES TO FINANCIAL STATEMENTS

## Note 8. Dedication of Sales and Use Tax Proceeds

The proceeds of the 1967 1% sales and use tax are accounted for in the Sales Tax Fund and are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining sewers and sewage disposal works, a natural gas transmission and distribution system, drainage facilities, streets, waterworks, recreational facilities, public parks, public buildings, and fire department stations and equipment, including fire engines, garbage collection, and disposal facilities.

The proceeds of the 1991 1% sales and use tax are accounted for in the Sales Tax Fund and are dedicated to the following purposes:

- a) Constructing, acquiring, improving, maintaining, and operating sewers and sewage disposal works, including the acquisition of land and equipment for such purpose.
- b) Constructing, acquiring, improving, maintaining, and operating any work of permanent public improvement.

Sales taxes recognized in the governmental fund financial statements under the modified accrued basis of accounting totaled \$265,451, while the amount recognized in the government-wide financial statements under the full accrual basis of accounting totaled \$263,384.

## Note 9. Interfund Transfers

Interfund transfers for the year ended June 30, 2014 consist of the following:

	Transfers From		
	Sales Tax	Combined	
	Fund	Utilities	Total
		Fund	
Transfers to:			
General Fund	\$ 34,691	\$ 1,449	\$ 36,140
Combined Utilities Fund	<u>72,227</u>	<u>-</u>	<u>72,227</u>
Total	<u>\$ 106,918</u>	<u>\$ 1,449</u>	<u>\$108,367</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO FINANCIAL STATEMENTS

### Note 10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town purchases commercial insurance to cover any claims related to these risks.

### Note 11. Contingencies

In the normal course of operations, the Town receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not believed to be material.

### Note 12. Compensation of Elected Officials

A detail of compensation paid to individual elected officials for the year ended June 30, 2014 follows:

Cindy McDaniel, Mayor	\$ 4,200
Nicholas Bouterie	100
Troy Lantz	2,100
Raleigh Miller	2,100
Warren Pousson	2,100
Brenda Prather	2,100
R. B. Fontenot	<u>875</u>
Total	<u>\$13,575</u>

### Note 13. Commitments

The Town entered into a cancellable lease for a police car. Monthly lease payments are \$510. Total lease expense under this lease agreement for the year ended June 30, 2014 was \$6,120.

In addition, the Town had entered into construction contracts for the improvements of the water tower. Total contract amounts for this project are \$83,000 of which the town has already expended \$60,970. The majority of expenditures under this contract have been reimbursed by LGAP and CWF grants from the state.



**This page intentionally left blank.**

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules

TOWN OF IOTA, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes -				
Property	\$ 115,100	\$ 110,110	\$ 113,510	\$ 3,400
Electric franchise	55,000	63,000	65,256	2,256
Telephone franchise	2,500	2,200	1,601	(599)
Cable TV franchise	7,000	12,000	12,709	709
Total taxes	<u>\$ 179,600</u>	<u>\$ 187,310</u>	<u>\$ 193,076</u>	<u>\$ 5,766</u>
Licenses and permits -				
Occupational licenses	\$ 16,500	\$ 16,000	\$ 16,553	\$ 553
Insurance licenses	18,000	42,000	40,268	(1,732)
Liquor licenses	650	700	700	-
Building permits	2,000	3,700	6,657	2,957
Total licenses and permits	<u>\$ 37,150</u>	<u>\$ 62,400</u>	<u>\$ 64,178</u>	<u>\$ 1,778</u>
Intergovernmental -				
Alcoholic beverage tax	\$ 2,500	\$ 2,500	\$ 1,846	\$ (654)
State highway maintenance fees	5,050	5,050	5,050	-
Video poker machine fees	2,500	3,300	3,223	(77)
Grants -				
Federal	675,000	-	-	-
State	-	18,500	1,436	(17,064)
Total intergovernmental	<u>\$ 685,050</u>	<u>\$ 29,350</u>	<u>\$ 11,555</u>	<u>\$ (17,795)</u>
Charges for services	<u>\$ 3,200</u>	<u>\$ 2,000</u>	<u>\$ 2,071</u>	<u>\$ 71</u>
Fines and forfeits	<u>\$ 7,100</u>	<u>\$ 5,625</u>	<u>\$ 5,560</u>	<u>\$ (65)</u>
Investment income	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 72</u>	<u>\$ (28)</u>
Miscellaneous	<u>\$ 1,600</u>	<u>\$ 2,500</u>	<u>\$ 2,550</u>	<u>\$ 50</u>
Total revenues	<u>\$ 913,800</u>	<u>\$ 289,285</u>	<u>\$ 279,062</u>	<u>\$ (10,223)</u>

(continued)

TOWN OF IOTA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)

GENERAL FUND

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:				
Current -				
General government:				
Salaries and wages	\$ 14,000	\$ 14,000	\$ 13,725	\$ 275
Payroll taxes	1,000	1,150	1,140	10
Telephone and utilities	5,350	8,700	8,007	693
Repairs and maintenance	-	600	1,100	(500)
Printing and postage	3,300	3,300	3,020	280
Insurance	8,000	8,500	12,403	(3,903)
Professional services	683,000	8,000	6,167	1,833
Travel and training	1,000	1,200	1,295	(95)
Collection fees	500	1,300	1,208	92
Miscellaneous	700	1,660	1,630	30
Total general government	\$ 716,850	\$ 48,410	\$ 49,695	\$ (1,285)
Public safety:				
Salaries and wages	\$ 110,000	\$ 105,000	\$ 108,122	\$ (3,122)
Payroll taxes	10,500	9,400	9,705	(305)
Auto lease	-	6,200	6,120	80
Materials and supplies	1,150	1,915	1,902	13
Telephone	1,500	2,000	1,815	185
Insurance	14,000	24,000	20,127	3,873
Auto expenses	10,000	19,500	17,292	2,208
Travel and training	250	725	717	8
Auxiliary police expenses	250	85	80	5
Uniforms	300	370	366	4
Miscellaneous	1,200	995	941	54
Total public safety	\$ 149,150	\$ 170,190	\$ 167,187	\$ 3,003
Public works:				
Materials and supplies	\$ 31,000	\$ 19,800	\$ 15,833	\$ 3,967
Telephone and utilities	16,550	19,150	19,056	94
Repairs and maintenance	4,200	5,300	5,675	(375)
Insurance	5,000	5,500	5,075	425
Professional services	-	450	450	-
Miscellaneous	2,000	350	1,329	(979)
Total public works	\$ 58,750	\$ 50,550	\$ 47,418	\$ 3,132

(continued)

TOWN OF IOTA, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)

GENERAL FUND

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Culture and recreation:				
Utilities	\$ 2,000	\$ 2,500	\$ 2,592	\$ (92)
Capital outlay	\$ -	\$ 34,665	\$ 16,665	\$ 18,000
Total expenditures	\$ 926,750	\$ 306,315	\$ 283,557	\$ 22,758
Deficiency of revenues over expenditures	\$ (12,950)	\$ (17,030)	\$ (4,495)	\$ 12,535
Other financing sources (uses):				
Transfers in	\$ 31,600	\$ 41,665	\$ 36,140	\$ (5,525)
Net change in fund balance	\$ 18,650	\$ 24,635	\$ 31,645	\$ 7,010
Fund balance, beginning	175,616	175,616	175,616	-
Fund balance, ending	\$ 194,266	\$ 200,251	\$ 207,261	\$ 7,010

See Notes to Budgetary Comparison Schedules.

## TOWN OF IOTA, LOUISIANA

## BUDGETARY COMPARISON SCHEDULE

## SALES TAX FUND

Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales taxes	\$ 200,000	\$ 270,000	\$ 265,451	\$ (4,549)
Investment income	1,000	700	696	(4)
Total revenues	<u>\$ 201,000</u>	<u>\$ 270,700</u>	<u>\$ 266,147</u>	<u>\$ (4,553)</u>
Expenditures:				
Current -				
General government:				
Collection fees	\$ 2,900	\$ 4,500	\$ 4,150	\$ 350
Professional services	8,000	8,000	6,167	1,833
Miscellaneous	-	1,000	-	1,000
Insurance	5,000	5,500	-	5,500
City hall maintenance	-	900	-	900
Schools and seminars	-	300	-	300
Registration and membership fees	1,500	1,800	-	1,800
Total general government	<u>\$ 17,400</u>	<u>\$ 22,000</u>	<u>\$ 10,317</u>	<u>\$ 11,683</u>
Public works:				
Professional services	\$ 1,000	\$ 1,850	\$ -	\$ 1,850
Tree maintenance-	-	2,850	-	2,850
Water supplies	-	13,800	-	13,800
Total public works	<u>\$ 1,000</u>	<u>\$ 18,500</u>	<u>\$ -</u>	<u>\$ 18,500</u>
Capital outlay	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Total expenditures	<u>\$ 18,400</u>	<u>\$ 50,500</u>	<u>\$ 10,317</u>	<u>\$ 40,183</u>
Excess of revenues over expenditures	<u>\$ 182,600</u>	<u>\$ 220,200</u>	<u>\$ 255,830</u>	<u>\$ 35,630</u>
Other financing uses:				
Transfers out	<u>\$ (65,000)</u>	<u>\$ (101,665)</u>	<u>\$ (106,918)</u>	<u>\$ (5,253)</u>
Net change in fund balance	\$ 117,600	\$ 118,535	\$ 148,912	\$ 30,377
Fund balance, beginning	<u>533,846</u>	<u>533,846</u>	<u>533,846</u>	<u>-</u>
Fund balance, ending	<u>\$ 651,446</u>	<u>\$ 652,381</u>	<u>\$ 682,758</u>	<u>\$ 30,377</u>
See Notes to Budgetary Comparison Schedules.				

TOWN OF IOTA, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

The Town of Iota, Louisiana uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The department heads submit a proposed operating budget for the ensuing year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of a resolution.
4. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Board of Aldermen.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final budget.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. No individual funds had actual expenditures in excess of appropriations for the year ended June 30, 2014.

OTHER SUPPLEMENTARY INFORMATION



TOWN OF IOTA, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE  
June 30, 2014

<u>Insurer</u>	<u>Assets Covered</u>
America First Insurance	Town Hall and improvements
America First Insurance	Water system and improvements
America First Insurance	Rescue unit building and meeting hall, canopy
America First Insurance	Equipment warehouses
America First Insurance	Sewer system and improvements
Louisiana Municipal Risk Management Agency	Law enforcement officers' and public officials' liability
Louisiana Municipal Risk Management Agency	Municipal employees
Louisiana Municipal Risk Management Agency	Automobile liability
Louisiana Municipal Risk Management Agency	General liability
Williams Insurance	Mayor, Clerk, Tax Collector, and Secretary
Williams Insurance	Mayor
Williams Insurance	Clerk
Williams Insurance	Secretary
Essex Insurance Company	Automobiles

<u>Risk Covered</u>	<u>Limits Coverage</u>	<u>Co-Insurance Clause</u>	<u>Expiration Date</u>
Fire, lightning, extended coverage, vandalism, and malicious mischief	\$ 833,672	80%	04-12-15
Fire, lightning, extended coverage, vandalism, and malicious mischief	\$1,218,532	80%	04-12-15
Fire, lightning, extended coverage, vandalism, and malicious mischief	\$ 45,976	80%	04-12-15
Fire, lightning, extended coverage, vandalism, and malicious mischief	\$ 175,984	80%	04-12-15
Fire, lightning, extended coverage, vandalism, and malicious mischief	\$ 682,189	80%	04-12-15
Bond	\$ 500,000 each	-	05-01-15
Worker's compensation and employer's liability	Statutory	-	05-01-15
Comprehensive collision	\$ 500,000	-	05-01-15
Fire, medical payments, property damage	\$ 500,000	-	05-01-15
Bond	\$ 120,000 (Aggregate Total)	-	10-16-14
Bond	\$ 20,000	-	12-09-14
Bond	\$ 20,000	-	10-28-14
Bond	\$ 20,000	-	11-18-14
Commercial automotive physical damage	Total loss endorsement	-	07-23-14

## TOWN OF IOTA, LOUISIANA

SCHEDULE OF UTILITY RATES  
 PROPRIETARY FUND  
 COMBINED UTILITIES FUND  
 June 30, 2014

Gas (Effective June 26, 2008)

0-200 cubic feet

Over 200 cubic feet

Residential  
and Commercial

\$ 8.50/month

\$ .80 per 100  
 cubic feet  
 or part  
 thereof

IndustrialWater Well/Drier:

\$ 8.50/month

\$ .58 per 100  
 cubic feet  
 or part  
 thereof

Water Well-15 oz.

\$8.50/month

\$ .80 per 100  
 cubic feet  
 or part  
 thereof

Sewer (Effective February 26, 2013)

Based on water sold:

First 2,000 gallons

Over 2,000 gallons

Residential

\$12.50/month

\$ 3.00 per 1,000  
 gallons

Commercial

\$ 13.00/month

\$ 3.25 per  
 1,000 gallons  
 or each part  
 thereof

Water (Effective February 26, 2013)

First 2,000 gallons

Over 2,000 gallons

\$14.00/month

\$ 3.50 per 1,000  
 gallons or  
 each part  
 thereof

In Town

\$ 15.00/month

\$ 5.00 per 1,000  
 gallons or  
 each part  
 thereof

Out of Town

\$17.50/month

\$ 15.00/month

## TOWN OF IOTA, LOUISIANA

SCHEDULE OF CUSTOMERS  
PROPRIETARY FUND  
COMBINED UTILITIES FUND  
June 30, 2014

<u>Type of Customer</u>	<u>Gas</u>	<u>Sewer</u>	<u>Water</u>
Residential	290	528	580
Commercial	32	76	96
Schools	<u>6</u>	<u>8</u>	<u>3</u>
Total customers	<u>328</u>	<u>612</u>	<u>679</u>

## TOWN OF IOTA, LOUISIANA

## SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES

## BY DEPARTMENT

## COMBINED UTILITIES FUND

Year Ended June 30, 2014

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:				
Sales	\$205,626	\$224,243	\$165,726	\$595,595
Miscellaneous	<u>7,722</u>	<u>8,422</u>	<u>6,225</u>	<u>22,369</u>
Total operating revenues	<u>\$213,348</u>	<u>\$232,665</u>	<u>\$171,951</u>	<u>\$617,964</u>
Operating expenses:				
Salaries and wages	\$ 70,136	\$ 76,495	\$ 56,544	\$203,175
Payroll taxes	5,365	5,852	4,326	15,543
Gas purchases	103,785	-	-	103,785
Material and supplies	14,242	39,440	10,801	64,483
Fuel	3,689	4,023	2,974	10,686
Telephone and utilities	1,686	18,391	11,577	31,654
Depreciation	3,640	53,109	58,670	115,419
Repairs and maintenance	9,812	13,413	36,786	60,011
Printing, postage and supplies	2,183	2,381	1,760	6,324
Insurance	21,033	22,941	16,957	60,931
Truck expenses	1,488	1,623	1,200	4,311
Professional services	3,589	3,914	2,893	10,396
Travel and training	1,283	1,399	1,034	3,716
Uniforms	1,844	2,012	1,487	5,343
Other	<u>3,137</u>	<u>3,421</u>	<u>2,529</u>	<u>9,087</u>
Total operating expenses	<u>\$246,912</u>	<u>\$248,414</u>	<u>\$209,538</u>	<u>\$704,864</u>
Operating loss	<u>\$ (33,564)</u>	<u>\$ (17,749)</u>	<u>\$ (37,587)</u>	<u>\$ (86,900)</u>

TOWN OF IOTA, LOUISIANA

SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES

BY DEPARTMENT

COMBINED UTILITIES FUND

Year Ended June 30, 2013

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:				
Sales	\$139,619	\$204,336	\$146,765	\$490,720
Miscellaneous	<u>7,353</u>	<u>10,761</u>	<u>7,729</u>	<u>25,843</u>
Total operating revenues	<u>\$146,972</u>	<u>\$215,097</u>	<u>\$154,494</u>	<u>\$516,563</u>
Operating expenses:				
Salaries and wages	\$ 54,952	\$ 80,423	\$ 57,764	\$193,139
Payroll taxes	4,383	6,414	4,607	15,404
Gas purchases	62,487	-	-	62,487
Material and supplies	11,579	35,073	13,641	60,293
Fuel	3,541	5,182	3,722	12,445
Telephone and utilities	1,284	15,116	10,837	27,237
Depreciation	2,430	51,566	58,250	112,246
Repairs and maintenance	5,202	7,547	8,765	21,514
Printing, postage and supplies	1,322	1,935	1,390	4,647
Insurance	16,251	23,784	17,083	57,118
Truck expenses	1,032	1,511	1,085	3,628
Professional services	2,369	3,467	2,490	8,326
Travel and training	1,695	2,480	1,781	5,956
Uniforms	1,398	2,045	1,469	4,912
Other	<u>3,030</u>	<u>4,435</u>	<u>3,185</u>	<u>10,650</u>
Total operating expenses	<u>\$172,955</u>	<u>\$240,978</u>	<u>\$186,069</u>	<u>\$600,002</u>
Operating loss	<u>\$ (25,983)</u>	<u>\$ (25,881)</u>	<u>\$ (31,575)</u>	<u>\$ (83,439)</u>

TOWN OF IOTA, LOUISIANA  
SCHEDULE OF AGED ACCOUNTS RECEIVABLE  
PROPRIETARY FUND  
COMBINED UTILITIES FUND  
Year Ended June 30, 2014

0 - 30 days	\$38,410
31 - 60 days	(780)
61 - 90 days	(418)
91 - 120 days	(239)
Over 120 days	<u>(1,443)</u>
	<u>\$35,530</u>



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217

New Iberia, LA  
(337) 364-4554

**Partners:**

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
John L. Istre, CPA\*  
Elizabeth J. Moreau, CPA\*  
Lonnie J. Hebert, CPA\*  
Robert M. DeRouen, Jr. CPA\*

**Directors:**

Jason P. LeBlanc, CPA  
Laurel L. Montagnet, CPA  
Valeri A. Grayson, CPA

**Retired Partners:**

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Dressel, CPA 2007  
Herbert Lemoine II, CPA 2008  
Mary T. Miller, CPA 2011  
Mary A. Castille, CPA 2013

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

\* A Professional Accounting Corporation

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Cynthia F. McDaniel, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Iota, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Iota, Louisiana's basic financial statements and have issued our report thereon dated December 26, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Iota, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Iota, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Iota, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town of Iota, Louisiana's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs at #2014-1 to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Iota, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

#### Town of Iota, Louisiana's Response to Findings

The Town of Iota, Louisiana's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Iota, Louisiana's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script, appearing to read "Bernard Pierre Laroche".

Lafayette, Louisiana  
December 26, 2014



**BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

4112 West Congress  
P.O. Box 61400  
Lafayette, Louisiana 70596-1400  
phone: (337) 988-4930  
fax: (337) 984-4574  
www.bplb.com

**Other Offices:**

Crowley, LA  
(337) 783-5693  
Opelousas, LA  
(337) 942-5217  
New Iberia, LA  
(337) 364-4554

**Partners:**

Frank A. Stagno, CPA\*  
Scott J. Broussard, CPA\*  
L. Charles Abshire, CPA\*  
P. John Blanchet, III, CPA\*  
Martha B. Wyatt, CPA\*  
Joey L. Breaux, CPA\*  
Craig J. Viator, CPA\*  
John L. Istre, CPA\*  
Elizabeth J. Moreau, CPA\*  
Lonnie J. Hebert, CPA\*  
Robert M. DeRouen, Jr. CPA\*

**Directors:**

Jason P. LeBlanc, CPA  
Laurel L. Montagnet, CPA  
Valeri A. Grayson, CPA

**Retired Partners:**

Sidney L. Broussard, CPA 1925-2005  
Leon K. Poché, CPA 1984  
James H. Breaux, CPA 1987  
Erma R. Walton, CPA 1988  
George A. Lewis, CPA 1992  
Geraldine J. Wimberley, CPA 1995  
Lawrence A. Cramer, CPA 1999  
Ralph Friend, CPA 2002  
Donald W. Kelley, CPA 2005  
George J. Trappey, III, CPA 2007  
Terrel P. Drcssel, CPA 2007  
Herbert Lemoine II, CPA 2008  
Mary T. Miller, CPA 2011  
Mary A. Castille, CPA 2013

*Members of American Institute of  
Certified Public Accountants  
Society of Louisiana Certified  
Public Accountants*

\* A Professional Accounting Corporation

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND  
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

To the Honorable Cynthia F. McDaniel, Mayor,  
and the Board of Aldermen  
Town of Iota, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Town of Iota's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Iota's major federal programs for the year ended June 30, 2014. The Town of Iota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Town of Iota's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Iota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination on the Town of Iota's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, the Town of Iota, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2014.

#### *Report on Internal Control Over Compliance*

Management of the Town of Iota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Iota's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Iota's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. This report is intended for the information and use of management, the Board of Aldermen, others within the entity and federal awarding agencies and pass-through entities and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

*Bramant Pocher Lami ; Bramant LLP*

Lafayette, Louisiana  
December 26, 2014

## TOWN OF IOTA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

## Section I. Summary of Auditors' Results

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified ☒ Yes ☐ No
- Significant deficiencies identified that are not considered to be material weaknesses ☐ Yes ☒ No

Noncompliance material to financial statements noted?

☐ Yes ☒ No*Federal Awards*

Internal control over major programs:

- Material weaknesses identified ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses ☐ Yes ☒ No

Type of auditors' report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs:

CFDA Number

14.228

Name of Federal Program

U.S. Department of Housing and Urban Development - Louisiana Office of Community Development - CDBG State's Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

## Section II. Financial Statement Findings

### #2014-1 Segregation of Duties

Finding: The Town does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Town may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. This condition was also included in the 2013 audit as item #2013-1.

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Town should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: We have segregated duties as much as possible with the resources available. We will continue to monitor the situation.

## Section III. Federal Award Findings and Questioned Costs

None reported.

TOWN OF IOTA, LOUISIANA

SCHEDULE OF PRIOR FINDINGS  
Year Ended June 30, 2014

Section I. Internal Control and Compliance Material to the Financial Statements

#2013-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of employees to which duties can be assigned, the Town should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current Status: This finding is repeated in the current year at #2014-1. The Town has provided as much segregation as possible with the resources available.

#2013-2 Budget Violation

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance with the Local Government Budget Act.

Current Status: This finding is resolved.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2013.

## TOWN OF IOTA, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Assistance I.D. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Current Year Expenditures</u>
PASS-THROUGH PROGRAMS:				
Department of Housing and Urban Development - Office of Community Development Disaster Recovery Unit: Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	CFMS #701188	<u>\$701,502</u>



TOWN OF IOTA, LOUISIANA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

Note 1. General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Iota, Louisiana and is presented on the modified accrual basis of accounting, which is described in Note 1 to Town's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Relationship to Financial Statements

Federal awards revenues are reported in the LCDBG capital projects fund within the financial statements.